GREAT PLAINS
NATURAL GAS CO.
A Division of MDU Resources Group, Inc.

705 West Fir Ave.
PO Box 176
Fergus Falls, MN 56538-0176
(218) 736-6935

June 2, 2009

Executive Secretary
North Dakota Public Service
Commission
State Capitol Building
Bismarck, ND 58505

Re: Cost of Gas Adjustment (COG)
June 2009

Great Plains Natural Gas Co. (Great Plains), a Division of MDU Resources Group, Inc., herewith submits an original and seven (7) copies of a Cost of Gas Adjustment (COG) pursuant to North Dakota Century Code 49-05-05.

Attachment A is the Rate Summary Sheet (39th Revised Sheet No. 1.1) showing the proposed natural gas rates and the Cost of Gas Tariff (39th Revised Sheet No. 8), showing the June 2009 cost of gas and the resulting Cost of Gas Adjustment. The net effect of this filing is an increase of $0.8737 per mcf for residential and firm general service customers and $0.2909 per mcf for interruptible customers.

Attachment B shows the calculations supporting the gas costs for June 2009, including the calculation of the commodity cost of gas. The commodity cost of gas has increased $0.3019 per mcf since the last COG filing due to an increase in the market price of gas. There has been an increase in pipeline charges of $0.1518 per mcf due to changes in pipeline rates. The net effect of these changes is an increase of $0.4537 per mcf for residential and firm general service customers.

Attachment C explains the reasons for the change in the market price of gas.

Attachment D shows the calculation of the gas cost reconciliation (GCR) adjustment that will apply during the period of June 1, 2009 through May 31, 2010. The total GCR is $0.2343 per mcf for residential and general service customers and a negative $0.7419 per mcf for interruptible customers. The effect of this change is an increase of $0.4200 for residential and general service customers and a decrease of $0.0110 for interruptible customers.

Great Plains submitted a check for $600.00 on December 30, 2008 pursuant to the requirements of Section 49-05-05 of the North Dakota Century Code. This payment covers the $50.00 filing fee associated with this month's COG filing.

Great Plains respectfully requests this filing be accepted as being in full compliance with the filing requirements of this Commission.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed, stamped envelope.

Sincerely,

Rita A. Mulkern

Rita A. Mulkern
Regulatory Analysis Manager

Attachments

Attachment A

GREAT PLAINS NATURAL GAS CO.

A Division of MDU Resources Group, Inc.

State of North Dakota
Gas Rate Schedule

NDPSC Volume 2
39th Revised Sheet No. 1.1
Canceling 38th Revised Sheet No.1.1

RATE SUMMARY SHEET

Rate Schedule	Sheet No.	Basic Service Charge	Distribution Delivery Charge		COG Items	Total Rate/MCF
Firm Gas Service - General	2	$3.50 per month	First 10 MCF	$1.2740	$5.8781	$7.1521
			Over 10 MCF	1.0540		6.9321
Interruptible Gas Service - General	3	$3.50 per month	First 400 MCF	$1.1391	$2.4934	$3.6325
			Next 2,600 MCF	0.8931		3.3865
			Over 3,000 MCF	0.7411		3.2345
Interruptible Gas Service - Grain Processing	4	$3.50 per month	All MCF	$1.2391	$2.4934	$3.7325
Transportation Service	5	$3.50 per month	First 400 MCF	$1.1391		$1.1391
			Next 2,600 MCF	0.8931		0.8931
			Over 3,000 MCF	0.7411		0.7411

Date Filed: June 1, 2009

Effective Date: June 1, 2009

Issued By: Donald R. Ball
Vice President - Regulatory Affairs

Case No.:

GREAT PLAINS NATURAL GAS CO.

A Division of MDU Resources Group, Inc.

State of North Dakota
Gas Rate Schedule

NDPSC Volume 2
39th Revised Sheet No. 8
Canceling 38th Revised Sheet No. 8

COST OF GAS

Summary:	Firm				Interruptible		
	Est. Wtd. Demand Costs	Average Commodity	GCR Adj.	Est. Wtd. Total Firm	Average Commodity	GCR Adj.	Total Int.
Base Rate	$0.0658	$5.1191	$0.0000	$5.1849	$5.1191	$0.0000	$5.1191
Accumulated Adj.	2.1909	(2.1857)	(0.1857)	(0.1805)	(2.1857)	(0.7309)	(2.9166)
Current Adj.	0.1518	0.3019	0.4200	0.8737	0.3019	(0.0110)	0.2909
Total Adj.	2.3427	(1.8838)	0.2343	0.6932	(1.8838)	(0.7419)	(2.6257)
Total Rate:	$2.4085	$3.2353	$0.2343	$5.8781	$3.2353	($0.7419)	$2.4934

Date Filed: June 2, 2009 **Effective Date:** June 1, 2009

Issued By: Donald R. Ball
Vice President – Regulatory Affairs

Case No.:

GREAT PLAINS NATURAL GAS CO.
WAHPETON
COST OF GAS ADJUSTMENT
JUNE 2009

Firm	Billing Determinants		Rate	Demand Months	Amount	Amount Per dk
FT-A	7,841		$3.4671	12	$326,226	$0.2084
FT-A - Zone 1-1	500		3.4671	5	8,668	0.0055
FT-A - Zone 1-2	4,500		4.5871	5	103,210	0.0659
FT-A Seasonal	3,000		3.7671	5	56,507	0.0361
FT-A Seasonal	1,000		3.7671	4	15,068	0.0096
TFX Seasonal	4,000		15.1530	5	303,060	0.1936
NOVA - Demand Charge	7,947		11.9572	12	1,140,286	0.7284
Trans Canada - Demand Charge	7,947		10.6990	12	1,020,299	0.6517
ProGas - Demand Charge	7,947		0.9612	12	91,664	0.0586
NOVA - Seasonal	5,068		11.9572	5	302,995	0.1935
Trans Canada - Seasonal	5,068		10.6990	5	271,113	0.1732
ProGas - Seasonal	5,068		0.9612	5	24,357	0.0156
ProGas Winter Surcharge	5,068		3.0417	5	77,077	0.0492
LMS Demand	2,500		1.0000	12	30,000	0.0192
Total Demand Charges					$3,770,530	2.4085
Estimated Weighted Average Commodity Cost	1,565,565	1/	3.2353		5,065,072	3.2353
Gas Cost Reconciliation Adjustment						0.2343
Total Current Firm Gas Cost					$8,835,602	5.8781
Base Cost of Gas						5.1849
Accumulated Adjustment						$0.6932

Interruptible	
Estimated Weighted Average Commodity Cost	$3.2353
Gas Cost Reconciliation Adjustment	(0.7419)
Total Current Interruptible Gas Cost	2.4934
Base Cost of Gas	5.1191
Accumulated Adjustment	($2.6257)

1/ Authorized in MN Docket No. G004/GR-04-1487 plus Wahpeton volumes.

GREAT PLAINS NATURAL GAS CO.
WAHPETON
COST OF GAS ADJUSTMENT
JUNE 2009

Rates Effective June 1, 2009	$/Dk	
FT-A - Zone 1-1	$3.4671	Per dk/Mo.
FT-A - Zone 1-2	4.5871	Per dk/Mo.
FT-A - Seasonal	3.7671	Per dk/Mo.
TFX Seasonal	15.1530	Per dk/Mo.
NOVA - Demand Charge	11.9572	Per dk/Mo.
Trans Canada Pipeline Demand Charge	10.6990	Per dk/Mo.
ProGas - Demand Charge	0.9612	Per dk/Mo.
NOVA - Seasonal	11.9572	Per dk/Day
Trans Canada - Seasonal	10.6990	Per dk/Mo.
ProGas - Seasonal	0.9612	Per dk/Mo.
ProGas Winter Surcharge	3.0417	Per dk/Mo.
LMS Demand	1.0000	Per dk/Mo.
Estimated Weighted Average Commodity Cost:	3.2353	Per dk

Base Rate Effective July 1, 1981		
Demand Charge	$0.8100	Per Mcf/Mo.
Commodity Charge	5.1191	Per Mcf

Base Rate Calculation		
Firm		
Demand 1/	$0.0658	Per Mcf
Commodity	5.1191	Per Mcf
Total Firm Base Cost	$5.1849	Per Mcf
Interruptible:		
Commodity	$5.1191	Per Mcf

1/ Demand base rate calculation: 4,768 X 12 X $0.8100 / 707,222

Attachment B
Page 3 of 7

STATEMENT OF RATES
(Rates Per Dekatherm)

Currently Effective Term-Differentiated Rates

Rate Schedule	Base Tariff Rate
Category 1 (Contract Term of less than 3 Years)	
Monthly Reservation Rates	
FT-A	
Zone 1 - 1 Maximum Rate	$3.7671
Zone 1 - 1 Minimum Rate	$0.0000
Zone 1 - 2 Maximum Rate	$4.8871
Zone 1 - 2 Minimum Rate	$0.0000
Zone 2 - 2 Maximum Rate	$2.1400
Zone 2 - 2 Minimum Rate	$0.0000
Category 2 (Contract Term of 3 Years to less than 5 Years)	
Monthly Reservation Rates	
FT-A	
Zone 1 - 1 Maximum Rate	$3.6171
Zone 1 - 1 Minimum Rate	$0.0000
Zone 1 - 2 Maximum Rate	$4.7371
Zone 1 - 2 Minimum Rate	$0.0000
Zone 2 - 2 Maximum Rate	$1.9900
Zone 2 - 2 Minimum Rate	$0.0000
Category 3 (Contract Term of 5 or more Years)	
Monthly Reservation Rates	
FT-A	
Zone 1 - 1 Maximum Rate	$3.4671
Zone 1 - 1 Minimum Rate	$0.0000
Zone 1 - 2 Maximum Rate	$4.5871
Zone 1 - 2 Minimum Rate	$0.0000
Zone 2 - 2 Maximum Rate	$1.8400
Zone 2 - 2 Minimum Rate	$0.0000

Attachment B
Page 4 of 7

STATEMENT OF RATES
(Rates Per Dekatherm)

Rate Schedule	Base Tariff Rate	Adjustment Under Section 19 1/	Rate After Current Adjustment	Fuel and Loss Retention Percentages 2/
Commodity Rates				
FT-A - Maximum Rates				
Zone 1 - 1	$0.0130	$0.0017	$0.0147	0.64%
Zone 1 - 2	$0.0130	$0.0017	$0.0147	0.89%
Zone 2 - 2	$0.0130	$0.0017	$0.0147	0.25%
Minimum Rate	$0.0130	$0.0017	$0.0147	
IT and AOT				
Zone 1 - 1	$0.1368	$0.0017	$0.1385	0.64%
Zone 1 - 2	$0.1737	$0.0017	$0.1754	0.89%
Zone 2 - 2	$0.0834	$0.0017	$0.0851	0.25%
Minimum Rate	$0.0130	$0.0017	$0.0147	

1/ Pursuant to Section 19 of the General Terms and Conditions, the Annual Charge Adjustment (ACA) Surcharge of $0.0017 per Dekatherm shall be added to other charges under Company's Rate Schedules.

2/ Fuel and Losses Retention Percentages shall be applicable to all transportation rate schedules.

Transportation Fuel and Loss Retention Percentages are inclusive of the following percentages for Gas Lost and Unaccounted For: .05% for Zone 1-1, .07% for Zone 1-2, and .02% for Zone 2-2. Transportation entirely by backhaul will incur only the Gas Lost and Unaccounted For percentages.

Attachment B
Page 5 of 7

STATEMENT OF RATES
(Rates Per Dekatherm)

Rate Schedule	Base Tariff Rate	Adjustment Under Section 27 1/	Rate After Current Adjustment
LMS - Monthly Demand Rate	$1.0000		$1.0000
LMS - Daily Overrun Rate	$0.1737		$0.1737
LMS - Load Management Cost Reconciliation Adjustment		$0.0080	

1/ Pursuant to Section 27 of the General Terms and Conditions of this Tariff, a mechanism is established to reconcile through surcharges or credits to the Rate Schedule LMS rate, as appropriate, differences between the cost to maintain Company's line pack gas and the amounts Company receives or pays for such gas arising out of the purchase and sale of such gas.

Attachment B
Page 6 of 7

RATE SCHEDULE TF

RESERVATION RATES	MARKET-TO-MARKET TF12 Base	MARKET-TO-MARKET TF12 Variable	MARKET-TO-MARKET TF5	FIELD-TO-FIELD/MARKET DEMARCATION TFF
Base Tariff Rates 1/				
Summer (Apr-Oct)	5.683	5.683	-0-	5.473
Winter (Nov-Mar)	10.230	13.866	15.153	9.853

COMMODITY RATES 2/ TF12 Base, TF12 Var., TF5 & TFF		Market Area 3/		Field Mileage 5/ Rate per 100 miles		Carlton Surcharge 4/		Out-of Balance 3/	
Receipt Point	Delivery Point	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
Market	Market	0.0379	0.0210			0.0175	0.0000	0.0379	0.0210
Field	Market	0.0379	0.0210	0.0122	0.0040	0.0175	0.0000		
Market	Field			0.0122	0.0040				
Field	Field			0.0122	0.0040			0.0293	0.0107

1/ The minimum reservation rate is equal to zero.
2/ The applicable Mileage Indicator Districts (MIDs) billing rate will be added to the TF rates for volumes received in the Field Area, or received in the Market Area and delivered to the Field Area. The MIDs rates shown on Sheet Nos. 59-60A represent the total maximum Field Area throughput commodity rates for any transaction involving MIDs.
3/ Maximum and Minimum rates include ACA of $0.0017 and the Market Area Electric Compression charge of $0.0003 where applicable.
4/ Applicable to Market Area shippers as provided for in the Carlton Settlement filed in Docket No. RP96-347 dated October 28, 1996.
5/ Where Applicable, Field Area Electric Compression charge of $0.0000 and ACA will be added to the mileage based rates.

Attachment B
Page 7 of 7

RATE SCHEDULES TFX and LFT

RESERVATION RATES	MARKET-TO-MARKET Apr-Oct	MARKET-TO-MARKET Nov-Mar	FIELD-TO-FIELD Apr-Oct	FIELD-TO-FIELD Nov-Mar
Base Tariff Rates 1/	$5.683	$15.153	$5.473	$9.853

COMMODITY RATES 2/ TFX and LFT		Market Area 3/		Field Mileage 5/ Rate per 100 miles		Carlton Surcharge 4/		Out-of-Balance 3/	
Receipt Point	Delivery Point	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
Market	Market	0.0379	0.0210			0.0175	0.0000	0.0379	0.0210
Field	Market	0.0379	0.0210	0.0122	0.0040	0.0175	0.0000		
Market	Field			0.0122	0.0040				
Field	Field			0.0122	0.0040			0.0293	0.0107

GULF COAST	Reservation 1/ Maximum	Reservation 1/ Minimum	Commodity 6/ Maximum	Commodity 6/ Minimum	Out-of-Balance 6/ Maximum	Out-of-Balance 6/ Minimum
MOPS Gathering	1.0514	0.0000	0.0017	0.0017	0.0017	0.0017
MOPS Transmission	1.5337	0.0000	0.0017	0.0017	0.0017	0.0017
Tivoli - Downstream	0.6827	0.0000	0.0017	0.0017	0.0017	0.0017
Other Gulf Coast	4.8169	0.0000	0.0017	0.0017	0.0017	0.0017

1/ The minimum reservation rate is equal to zero.
2/ The applicable Mileage Indicator Districts (MIDs) billing rate will be added to the TF rates for volumes received in the Field Area, or received in the Market Area and delivered to the Field Area. The MIDs rates shown on Sheet Nos. 59-60A represent the total maximum Field Area throughput commodity rates for any transaction involving MIDs.
3/ Maximum and Minimum rates include ACA of $0.0017 and the Market Area Electric Compression charge of $0.0003 where applicable.
4/ Applicable to Market Area shippers as provided for in the Carlton Settlement filed in Docket No. RP96-347 dated October 28, 1996.
5/ Where applicable, Field Area Compression charge of $0.0000 and ACA will be added to the mileage based rates.
6/ Maximum and Minimum rates include ACA of $0.0017.

Great Plains Natural Gas Co.
Market Conditions for Wahpeton's Natural Gas
June 2009

The principal gas sources of natural gas for Wahpeton, North Dakota are from the large Western Canadian Sedimentary Basin (WCSB). The pricing point for much of this gas is the Alberta Energy Company (AECO-C), one of the largest and most liquid volume points in North America. The June monthly price for the AECO Index increased from the previous month. The AECO Index is based on the weighted average one month spot price at AECO-C and Nova Inventory Transfer (N.I.T.) as reported by Natural Gas Exchange (NGX).

Likely reasons for the increase were the weakening US dollar and the increase in the price of crude oil. However, the ongoing weakness in the U.S. and world economies and robust domestic supply are expected to put downward pressure on the price of natural gas. The AECO index price for June is expected to be approximately 70 percent less that the June 2008 price of $10.09. The Energy Information Administration (EIA) reported storage levels nationwide as of May 15, 2009 were 22.4 percent above the five-year average and 32.1 percent above last year's balance.

The Department of Energy's (DOE) Energy Information Administration (EIA) provides various publications on energy issues. The information is available on the DOE website: http://www.eia.doe.gov.

The most recent Short-Term Energy Outlook specific to natural gas prices, supply and demand is provided as pages 2 through 11.

www.eia.doe.gov
Energy Information Administration

May 2009

Short-Term Energy Outlook

May 12, 2009 Release

Highlights

- Energy prices rose in early May following reports suggesting that the U.S. economy may have reached a turning point in the current recession, at least in some sectors. Near-term prices in this *Outlook*, however, remain somewhat below market prices as of its release date given that prospects for a global economic turnaround remain highly uncertain. EIA's forecast is based on a macroeconomic outlook that assumes the U.S. and global economies begin to stabilize in the coming months and show signs of recovery late in 2009 and into 2010.

- The price of West Texas Intermediate (WTI) crude oil is expected to remain relatively flat for the remainder of 2009, averaging about $55 per barrel over the second half of 2009. Assuming a modest economic improvement next year, WTI prices are expected to average about $58 in 2010.

- During this summer driving season (April through September), regular gasoline retail prices are projected to average $2.21 per gallon, down about $1.60 from last summer. The annual average regular-grade gasoline retail price in 2009 is expected to be $2.12 per gallon, increasing to an average of $2.30 in 2010. The annual average diesel fuel retail prices are expected to be $2.26 and $2.48 per gallon, respectively, in 2009 and 2010.

- The Henry Hub natural gas spot price is projected to average $4.06 per thousand cubic feet (Mcf) in 2009, down from an average of $9.13 per Mcf in 2008. Then, buoyed by modest economic growth next year, the price is expected to increase to an average of about $5.21 per Mcf in 2010. The projected steep decline in industrial output this year is expected to reduce industrial natural gas consumption by 8 percent, resulting in a 1.9-percent decrease in total annual consumption of natural gas. Natural gas consumption in the electric power sector, however, is projected to increase by 2.1 percent since lower natural gas prices are expected to back out some coal consumption

in this sector. (See this month's supplemental report, *The Implications of Lower Natural Gas Prices in the Electric Power Sector*).

Global Petroleum

Overview. EIA is currently projecting a weaker global oil market for 2009 than anticipated in last month's assessment. Expectations of global economic recovery and a resultant increase in demand were offset by initial data for the first quarter showing high oil inventories, weak consumption, and higher-than-expected production. Price increases will likely be muted by the substantial surplus production capacity held by members of the Organization of the Petroleum Exporting Countries (OPEC), along with very high level of inventories among members of the Organization for Economic Cooperation and Development (OECD). The expectation that prices should rise in 2009-2010 because of future economic growth will need to be tempered with the current market reality of this supply overhang. The main downside risk to this *Outlook*'s oil price forecast remains a prolonged global economic slump, as well as the possibility of reduced compliance with OPEC production targets in the months ahead.

Consumption. World oil consumption remains weak because of the global economic downturn. Based on revised data and a re-estimation of the impact of the economic slowdown on oil consumption, EIA has reduced its forecast for world oil consumption from the fourth quarter of 2008 through the end of the forecast period. World oil consumption is now projected to fall by 1.8 million barrels per day (bbl/d) in 2009, a decline that is 0.4 million bbl/d larger than the decline projected in last month's *Outlook*. The forecasts for Asia and the Former Soviet Union (FSU) show the largest revisions. In total, OECD oil consumption is expected to fall by nearly 2 million bbl/d in 2009, with oil consumption in Japan alone expected to fall by over 0.5 million bbl/d in 2009. Partially offsetting declining OECD oil consumption is a growth of 0.2 million bbl/d in non-OECD consumption, particularly in the Middle East, China, and India. World oil consumption is expected to grow by 0.7 million bbl/d in 2010, on the back of a rebound in global economic activity next year (World Liquid Fuels Consumption).

Non-OPEC Supply. EIA has revised projected non-OPEC supply growth in 2009 upward to 100,000 bbl/d. Recent data indicate that production in the first quarter of 2009 was higher than expected in the North Sea, FSU, and Latin America, although much of the revision for Latin America reflects a re-evaluation of seasonal ethanol production in Brazil. Total liquids production from Norway and offshore United Kingdom was 140,000 bbl/d higher in the first quarter than forecasted from last month. Russia tallied a year-over-year increase in its oil production in March, the first such increase in the past 6 months and only the second such increase since November

2007. Non-OPEC supply is expected to increase by a modest 45,000 bbl/d in 2010, due to increasing production from Brazil, the United States, and the FSU (Non-OPEC Crude Oil and Liquid Fuels Production Growth).

OPEC Supply. The current weakness in global oil markets is driven not only by demand weakness, but also by additional supplies from both non-OPEC and OPEC members. Crude oil production by OPEC (including Iraq) in the first quarter averaged 28.7 million bbl/d, roughly 3 million bbl/d below third-quarter 2008 levels. In addition, production of other petroleum liquids outside of the quota system, such as natural gas liquids, is projected to continue growing. OPEC will meet again on May 28 to assess market conditions and production targets. EIA expects that total OPEC petroleum liquids production will average 33.5 million bbl/d for the year, some 2 million bbl/d below 2008 levels, and could reach 34.4 million bbl/d in 2010. Surplus crude oil production capacity in OPEC, which has increased from an estimated 1 million barrels in mid-2008 to 4.3 million barrels in April 2009, is projected to remain relatively high over the forecast period, exceeding 5 million bbl/d in 2010.

Inventories. Revised data indicate that OECD commercial inventories at year-end 2008 stood at 2.7 billion barrels. At 57 days of forward cover, OECD commercial inventories were well above average levels for that time of year (Days of Supply of OECD Commercial Stocks). Preliminary estimates suggest that OECD commercial inventories increased by 34 million barrels during the first quarter, reaching 60 days of forward cover. The United States was mostly responsible for this counter-seasonal build in OECD commercial inventories, with other OECD-member commercial stocks largely unchanged during that period. EIA estimates there are also an additional 130 million barrels of crude oil in floating storage, which we take into consideration in our oil market outlook.

U.S. Crude Oil and Liquid Fuels

Consumption. Total consumption of liquid fuels and other petroleum products averaged 19.4 million bbl/d in 2008, down nearly 1.3 million bbl/d from 2007 (U.S. Petroleum Products Consumption Growth). Based on the prospects of a continuing weak economy, consumption is projected to shrink by an additional 570,000 bbl/d in 2009, led by a 200,000-bbl/d fall in distillate fuel consumption. The assumed gradual economic recovery in 2010 is expected to contribute to a 250,000-bbl/d increase in total liquid fuels consumption. Having fallen by 320,000 bbl/d last year, motor gasoline consumption is projected to increase slightly in 2009 and then rise by a further 70,000 bbl/d in 2010, or 0.7 percent, as continuing high unemployment constrains increases in driving activity. Distillate consumption in 2010 is projected to rise by only 50,000 bbl/d, reflecting a weak recovery in industrial activity.

Production. Total domestic crude oil production averaged 4.96 million bbl/d in 2008, down from 5.06 million bbl/d in 2007 (U.S. Crude Oil Production). Crude oil production is projected to increase to an average of 5.20 million bbl/d in 2009 and 5.33 million bbl/d in 2010. Contributing to the increases in output are the Gulf of Mexico Thunder Horse and Tahiti platforms.

Prices. WTI crude oil prices, which averaged $99.57 per barrel in 2008 (Crude Oil Prices), are projected to average $52 per barrel in 2009 and $58 per barrel in 2010. These prices are about $1 per barrel and $5 per barrel, respectively, below those projected in last month's *Outlook*. However, a stronger-than-expected economic recovery or lower non-OPEC production (due to low oil prices, financial market constraints, or more aggressive action to cut production by OPEC countries) could lead to a faster and stronger rise in oil prices. As always, energy price forecasts are highly uncertain. Both recent experience and the sizable participation in near-term crude oil futures options contracts at strike prices that are significantly different from current futures market prices clearly demonstrate that crude oil prices can move within a wide range in a relatively short period.

EIA projects that regular-grade motor gasoline retail prices, which averaged $3.26 per gallon in 2008, will average $2.12 per gallon this year, down 4 cents per gallon from last month's *Outlook* projection. Regular-grade gasoline retail prices are projected to rise to $2.30 per gallon in 2010, 12 cents lower than projected in the previous *Outlook*. These projections indicate that total gasoline margins, which had declined last year as a result of weakness in gasoline consumption and growth in ethanol supplies, are expected to stabilize, albeit at low levels, as consumption slowly recovers and increases in ethanol supplies moderate.

Diesel fuel retail prices, which averaged $3.80 per gallon in 2008, are projected to average $2.26 per gallon in 2009, down 4 cents per gallon from the previous *Outlook*. Diesel fuel retail prices are projected to average $2.48 per gallon in 2010, down 21 cents per gallon from the previous *Outlook*.

Natural Gas

Consumption. Total natural gas consumption is projected to decline by 1.9 percent in 2009 and then increase slightly in 2010 (Total U.S. Natural Gas Consumption Growth). Weak economic conditions leading to significantly lower natural gas consumption in the industrial sector are expected to be the main source of the dip in total consumption this year. The projected increase in natural gas use in the electric power sector offsets some of this decline. Lower relative natural gas prices compared with coal, particularly in the Southeast, are expected to induce higher utilization of natural-

gas-fired electric generation capacity in the near-term and lead to a consumption increase of 2.1 percent in the electric power sector this year. (See this month's supplemental report, *The Implications of Lower Natural Gas Prices in the Electric Power Sector*). Natural gas consumption is expected to decline slightly in the residential and commercial sectors this year. Similar to other fuels across the energy market, the outlook for natural gas consumption in 2010 is highly contingent upon the timing and pace of economic recovery. Under current assumptions, consumption growth in the electric power sector and a slight recovery in the industrial sector are expected to contribute to a small increase in total consumption for the year, despite minor consumption declines in the residential and commercial sectors due to the expectation of 0.8 percent fewer heating degree-days than the previous year.

Production and Imports. Total U.S. marketed natural gas production is expected to decline by 1.0 percent in 2009 and by 2.8 percent in 2010. As a result of poor economic conditions and lower natural gas prices, total working natural gas rigs have declined by 54 percent since last August. The erosion of drilling activity combined with production curtailments in response to current and projected low prices and high inventory levels are expected to cause natural gas production in the lower-48 non-Gulf of Mexico (GOM) to decrease by about 1.6 percent in 2009. Conversely, marketed production from the Federal GOM is expected to increase by 3.4 percent in 2009 due to the return of facilities damaged by Hurricanes Gustav and Ike as well as the start-up of new production associated with offshore oil projects. Despite expectations of higher prices next year, the lagged effects of the downturn in drilling this year and the natural decline in productivity from existing wells are expected to contribute to lower production in both the lower-48 non-GOM and Federal GOM regions in 2010.

Expected weak natural gas demand in the liquefied natural gas (LNG)-consuming countries of Asia and Europe, the startup of new liquefaction capacity, and limited natural gas storage capacity in countries that typically rely on LNG are expected to increase the availability of LNG for the United States. U.S. LNG imports are expected to increase from 350 billion cubic feet (Bcf) in 2008 to about 500 Bcf in 2009 and 650 Bcf in 2010. However, there is significant uncertainty associated with the global LNG balance. U.S. pipeline imports are expected to decline by about 7 percent in 2009 because of the impacts of suspended drilling programs and declining well productivity in Canada.

Inventories. On May 1, 2009, working natural gas in storage was 1,918 Bcf (U.S. Working Natural Gas in Storage). Current inventories are now 362 Bcf above the 5-year average (2004–2008), and 491 Bcf above the level during the corresponding week last year. The natural gas working inventory is projected to peak at about 3,635 Bcf at

the end of October 2009, exceeding the previous record of 3,565 Bcf reported for the end of October 2007. Over the past 10 years natural gas working inventory has typically reached a maximum level during the first 2 weeks of November, with the earliest seasonal peak reported the week ending October 20, 2006, and the latest peak the week ending November 30, 2001.

Prices. The Henry Hub spot price averaged $3.62 per Mcf in April, $0.46 per Mcf below the average spot price in March, as consumption has flagged amidst the drop in economic activity. No significant rise in average spot prices is expected until cooler temperatures increase the demand for space heating in the fall. While the seasonal boost in natural gas consumption is expected to add some strength to prices, robust storage levels are expected to limit any significant upward price movement through the winter. However, as the expected improvement in the economy contributes to demand recovery in 2010, sustained lower production levels could lead to higher prices in the latter part of the forecast period. The Henry Hub spot price is expected to average $4.06 per Mcf in 2009 and $5.21 per Mcf in 2010.

Electricity

Consumption. The drag on industrial retail sales of electricity as a result of the ongoing recession is expected to decrease total electricity consumption by 0.8 percent this year. Consumption is projected to return to a more normal growth rate of 1.5 percent in 2010 (U.S. Total Electricity Consumption).

Prices. The increased cost of constructing new generation and transmission facilities has led to rising residential retail electricity prices despite lower power generation fuel costs. As a result, residential electricity prices are projected to increase by 4.4 percent in 2009. The lower fuel costs are expected to be passed through to consumers later in the year, slowing growth in 2010 residential retail prices to 1.9 percent (U.S. Residential Electricity Prices).

Generation. EIA's preliminary estimates indicate that power generation by natural-gas-fired plants increased by nearly 3 percent in February 2009 from the same month last year while coal generation fell by about 14 percent. This change in the relative generation fuel mix may be a response to the converging generation costs for coal and natural gas (see *The Implications of Lower Natural Gas Prices in the Electric Power Sector*). A similar pattern is expected to continue during the rest of 2009, with natural gas generation increasing by 2.9 percent and coal generation falling by 2.8 percent.

Coal

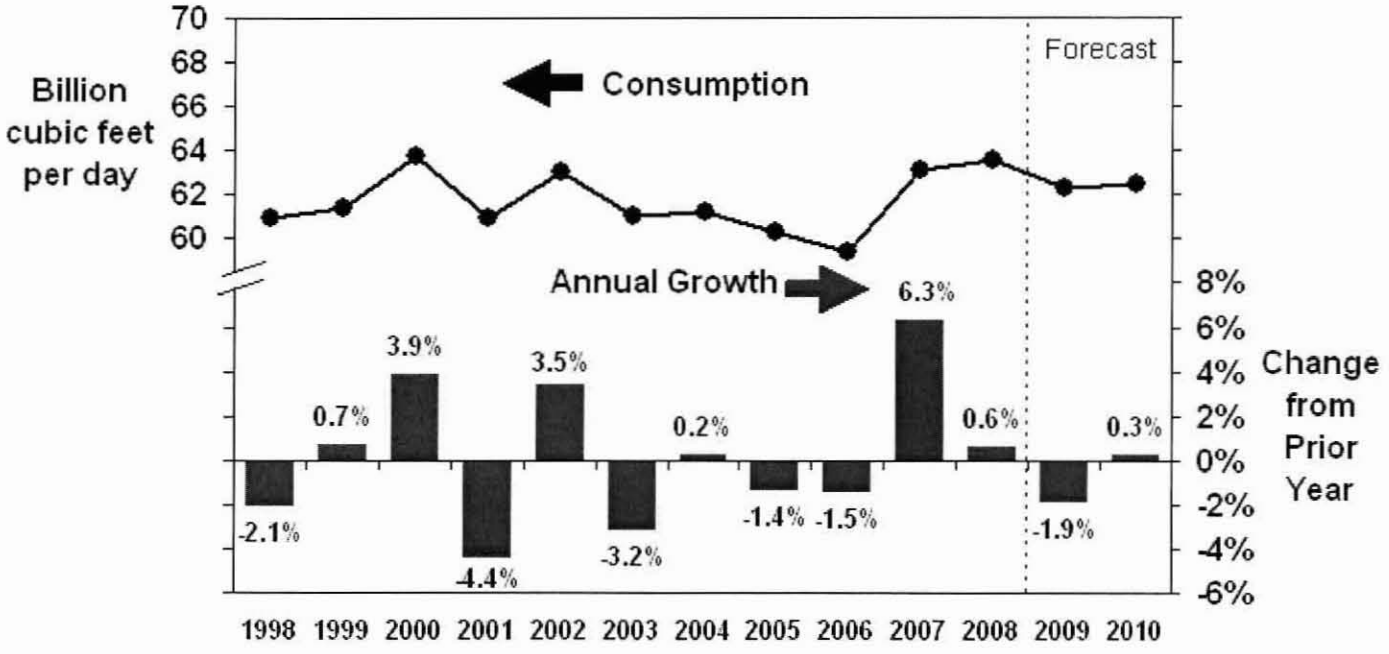
Consumption. A decline in overall electricity generation, combined with projected increases from natural gas, nuclear, and renewable generation (hydroelectric and wind) sources, are projected to lead to a 2.3-percent decline in coal consumption in the electric power sector. An expected increase in total electricity generation of 1.6 percent in 2010 is expected to lead to a 1.4-percent increase in electric-power-sector coal consumption. Consumption in the coke-plant sector is expected to continue falling over the forecast period (U.S. Coal Consumption Growth).

Production. Production is expected to fall by 4.9 percent in 2009 in response to lower total domestic coal consumption combined with export declines. Production is projected to increase by 1.0 percent in 2010 as domestic consumption and exports increase with an improving economy (U.S. Annual Coal Production).

Exports. Reductions in global coal demand are expected to reduce U.S. coal exports by about 12 million short tons, a 14-percent decrease, in 2009 but an expected increase in global coal demand is projected to result in a 15-percent increase in exports in 2010.

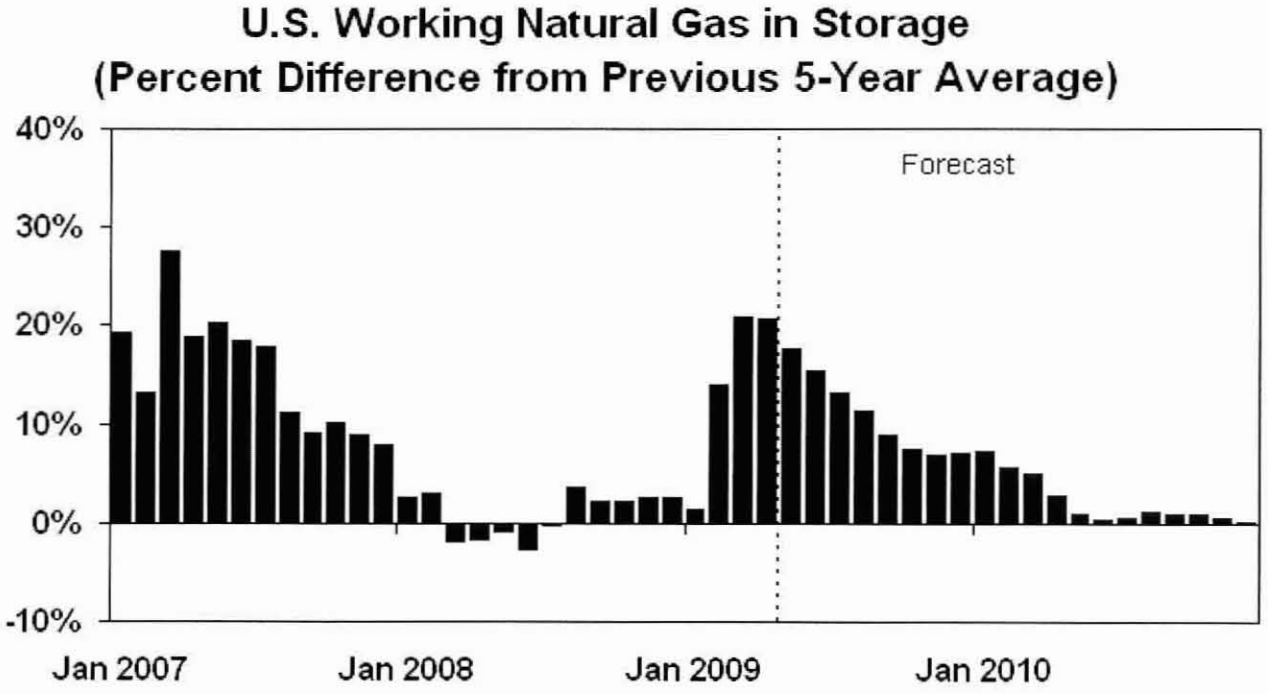
Prices. The average delivered coal price to the electric power sector increased by more than 17 percent in 2008, to an average of $2.07 per million Btu. Although record increases in spot prices (some well over 100 percent) for several types of coal contributed to the increase in the cost of coal, spot market purchases make up only a small portion of total coal consumed. Instead, a rise in transportation charges was the primary reason for the cost increase last year. Despite declines in electricity demand and lower fuel costs, the annual average delivered coal price, which is primarily dictated by long-term coal contracts, is projected to increase to $2.11 per million Btu in 2009 since current delivered prices were set when contracts were entered into during a period of high prices for all fuels a year or more ago. The average delivered coal price is expected to decline to $1.91 per million Btu in 2010.

U.S. Total Natural Gas Consumption



Short-Term Energy Outlook, May 2009

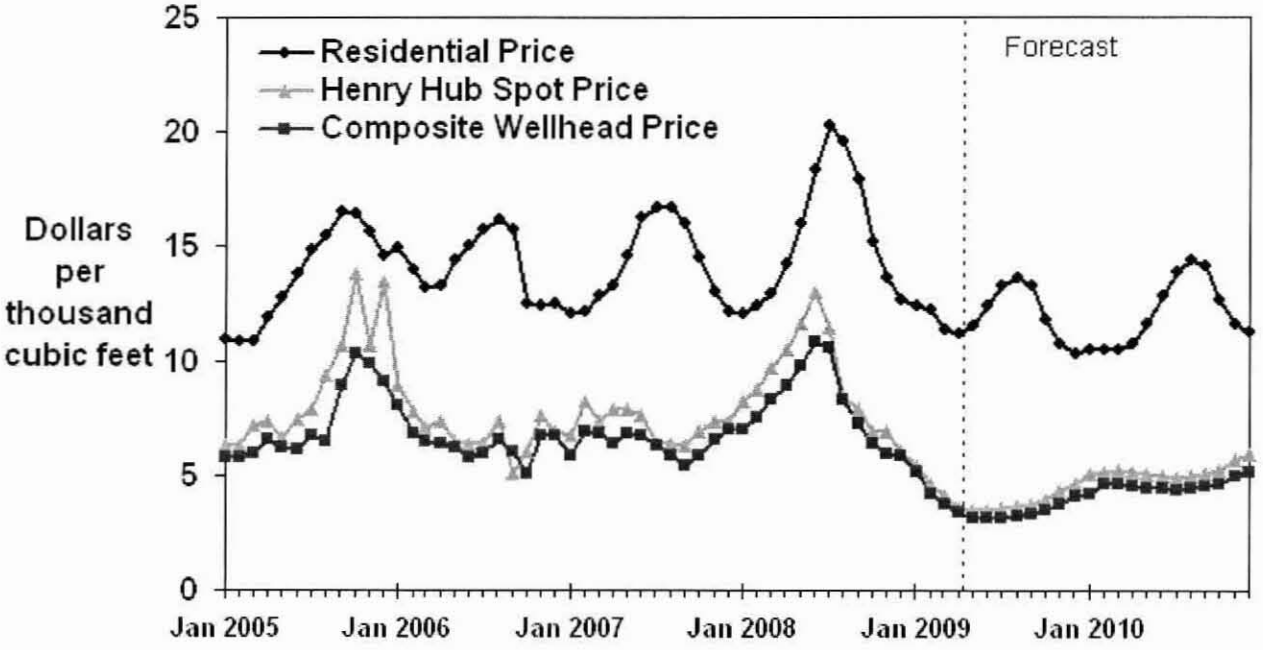
www.eia.doe.gov



Short-Term Energy Outlook, May 2009

www.eia.doe.gov

Natural Gas Prices



Short-Term Energy Outlook, May 2009

www.eia.doe.gov

GREAT PLAINS NATURAL GAS CO.
GAS COST RECONCILIATION ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
FIRM
TO BE EFFECTIVE JUNE 1, 2009 THROUGH MAY 31, 2010

(Over)/under recovered gas costs @ April 30, 2009:			$65,941
Less projected recovery from rates already established:			
	Volume	Rate	Amount
May	11,400	($0.1857)	($2,117)
Additional recovery required			$68,058
Projected sales volumes (mcf)			
June 2009		6,800	
July		6,400	
August		6,700	
September		9,700	
October		18,900	
November		32,700	
December		46,500	
January 2010		52,700	
February		42,300	
March		35,700	
April		20,900	
May		11,200	
Total			290,500
Total gas cost reconciliation adjustment to be effective June 1, 2009 through May 31, 2010			$0.2343

GREAT PLAINS NATURAL GAS CO.
GAS COST RECONCILIATION ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
INTERRUPTIBLE
TO BE EFFECTIVE JUNE 1, 2009 THROUGH MAY 31, 2010

(Over)/under recovered gas costs @ April 30, 2009:			($110,191)
Less projected recovery from rates already established:			
	Volume	Rate	Amount
May	13,200	($0.7309)	($9,648)
Additional recovery required			($100,543)
Projected sales volumes (mcf)			
June 2009		8,115	
July		7,134	
August		11,473	
September		8,162	
October		8,741	
November		12,016	
December		19,205	
January 2010		12,982	
February		10,874	
March		10,203	
April		12,560	
May		14,064	
Total			135,529
Total gas cost reconciliation adjustment to be effective June 1, 2009 through May 31, 2010			($0.7419)

GREAT PLAINS NATURAL GAS CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
FIRM

	(Over) Under Recovery	Refunds & Other	Interest 1/	Total Net Additions	Actual Mcf Sales	Adjustment Per Mcf	Total Adjustment Amount	Net Change 3/	Cumulative Balance
Balance @ April 30, 2008									**($46,836)**
May	($7,154)	$0	($671)	($7,825)	17,007	$0.7009	$11,920	($19,745)	(66,581)
June	25,399	0	(868)	24,531	9,026	(0.1857)	(1,676)	26,207	(40,374)
July	12,556	0	(565)	11,991	6,909	(0.1857)	(1,283)	13,274	(27,100)
August	47,784	0	(408)	47,376	5,577	(0.1857)	(1,036)	48,412	21,312
September	26,255	0	135	26,390	6,028	(0.1857)	(1,119)	27,509	48,821
October	13,043	0	440	13,483	8,294	(0.1857)	(1,540)	15,023	63,844
November	16,133	0	605	16,738	18,404	(0.1857)	(3,418)	20,156	84,000
December	(4,149)	(2,340) 2/	829	(5,660)	34,013	(0.1857)	(6,316)	656	84,656
January 2008	(35,023)	0	840	(34,183)	55,308	(0.1857)	(10,271)	(23,912)	60,744
February	(17,882)	0	587	(17,295)	44,492	(0.1857)	(8,262)	(9,033)	51,711
March	1,709	0	498	2,207	44,866	(0.1857)	(8,332)	10,539	62,250
April	(2,181)	0	627	(1,554)	28,246	(0.1857)	(5,245)	3,691	65,941
	$76,490	($2,340)	$2,049	$76,199	278,170		($36,578)	$112,777	
Balance @ April 30, 2009									**$65,941**

1/ Interest calculated at 13.3%, the authorized rate of return.
2/ December 2008 Northern Natural Gas refund.
3/ Total net additions less total adjustment amount.

GREAT PLAINS NATURAL GAS CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
INTERRUPTIBLE

	(Over) Under Recovery	Refunds & Other	Interest 1/	Total Net Additions	Actual Mcf Sales	Adjustment Per Mcf	Total Adjustment Amount	Net Change 3/	Cumulative Balance
Balance @ April 30, 2008									**($111,189)**
May	($7,255)	$0	($1,155)	($8,410)	8,115	$0.1814	$1,472	($9,882)	(121,071)
June	(7,516)	0	(1,252)	(8,768)	7,134	(0.7309)	(5,214)	(3,554)	(124,625)
July	(44,216)	0	(1,282)	(45,498)	11,473	(0.7309)	(8,386)	(37,112)	(161,737)
August	(2,975)	0	(1,685)	(4,660)	8,162	(0.7309)	(5,966)	1,306	(160,432)
September	(10,606)	0	(1,655)	(12,261)	8,741	(0.7309)	(6,389)	(5,872)	(166,304)
October	(6,575)	0	(1,707)	(8,282)	12,016	(0.7309)	(8,782)	500	(165,804)
November	4,717	0	(1,689)	3,028	19,205	(0.7309)	(14,037)	17,065	(148,739)
December	(1,569)	(3) 2/	(1,492)	(3,064)	12,982	(0.7309)	(9,489)	6,425	(142,314)
January 2008	339	0	(1,410)	(1,071)	10,874	(0.7309)	(7,948)	6,877	(135,437)
February	553	0	(1,325)	(772)	10,203	(0.7309)	(7,457)	6,685	(128,752)
March	2,876	0	(1,241)	1,635	12,560	(0.7309)	(9,180)	10,815	(117,937)
April	(1,418)	0	(1,115)	(2,533)	14,064	(0.7309)	(10,279)	7,746	(110,191)
	($73,645)	($3)	($17,008)	($90,656)	$135,529		($91,655)	$999	
Balance @ April 30, 2009									**($110,191)**

1/ Interest calculated at 13.3%, the authorized rate of return.
2/ December 2008 Northern Natural Gas refund.
3/ Total net additions less total adjustment amount.

GREAT PLAINS NATURAL GAS CO.
CALCULATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO NORTH DAKOTA
FIRM

	1/	2/	3/	Total
May 2008				
Cost of Gas - Actual	$13.39440	$9.72080		
Cost of Gas - Recovered	12.02870	12.02870		
(Over) Under recovery per dk	$1.36570	($2.30790)	$0.00000	
dk billed	8,737	8,270		17,007
(Over) Under recovery	$11,932	($19,086)	$0	($7,154)
June 2008				
Cost of Gas - Actual	$15.59290	$13.39440		
Cost of Gas - Recovered	12.26040	12.26040		
(Over) Under recovery per dk	$3.33250	$1.13400	$0.00000	
dk billed	6,897	2,129		9,026
(Over) Under recovery	$22,985	$2,414	$0	$25,399
July 2008				
Cost of Gas - Actual	$16.43920	$15.59290		
Cost of Gas - Recovered	14.61080	14.61080		
(Over) Under recovery per dk	$1.82840	$0.98210	$0.00000	
dk billed	6,819	90		6,909
(Over) Under recovery	$12,468	$88	$0	$12,556
August 2008				
Cost of Gas - Actual	$21.47330	$16.43920		
Cost of Gas - Recovered	11.82440	11.82440		
(Over) Under recovery per dk	$9.64890	$4.61480	$0.00000	
dk billed	4,379	1,198		5,577
(Over) Under recovery	$42,255	$5,529	$0	$47,784
September 2008				
Cost of Gas - Actual	$16.39690	$21.47330		
Cost of Gas - Recovered	10.05780	10.05780		
(Over) Under recovery per dk	$6.33910	$11.41550	$0.00000	
dk billed	3,679	2,349 4/		6,028
(Over) Under recovery	$23,322	$2,933	$0	$26,255
October 2008				
Cost of Gas - Actual	$9.36150	$16.39690		
Cost of Gas - Recovered	9.22260	9.22260		
(Over) Under recovery per dk	$0.13890	$7.17430	$0.00000	
dk billed	6,604	1,690		8,294
(Over) Under recovery	$917	$12,126	$0	$13,043

GREAT PLAINS NATURAL GAS CO.
CALCULATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO NORTH DAKOTA
FIRM

	1/	2/	3/	Total
November 2008				
Cost of Gas - Actual	$8.89220	$9.36150		
Cost of Gas - Recovered	8.26910	8.26910		
(Over) Under recovery per dk	$0.62310	$1.09240	$0.00000	
dk billed	8,463	9,941		18,404
(Over) Under recovery	$5,273	$10,859	$0	$16,132
December 2008				
Cost of Gas - Actual	$7.88280	$8.89220		
Cost of Gas - Recovered	8.45820	8.45820		
(Over) Under recovery per dk	($0.57540)	$0.43400	$0.00000	
dk billed	18,735	15,278		34,013
(Over) Under recovery	($10,780)	$6,631	$0	($4,149)
January 2009				
Cost of Gas - Actual	$7.29740	$7.88280	$7.29740	
Cost of Gas - Recovered	7.88760	8.45820	8.45820	
(Over) Under recovery per dk	($0.59020)	($0.57540)	($1.16080)	
dk billed	20,618	29,745	4,945	55,308
(Over) Under recovery	($12,168)	($17,115)	($5,740)	($35,023)
February 2009				
Cost of Gas - Actual	$6.62780	$7.29740	$6.62780	
Cost of Gas - Recovered	6.64470	7.88760	7.88760	
(Over) Under recovery per dk	($0.01690)	($0.59020)	($1.25980)	
dk billed	13,780	31,423	(711)	44,492
(Over) Under recovery	($232)	($18,546)	$896	($17,882)
March 2009				
Cost of Gas - Actual	$6.28500	$6.62780	$6.28500	
Cost of Gas - Recovered	6.27260	6.64470	6.64470	
(Over) Under recovery per dk	$0.01240	($0.01690)	($0.35970)	
dk billed	16,558	34,089	(5,781)	44,866
(Over) Under recovery	$205	($576)	$2,080	$1,709
April 2009				
Cost of Gas - Actual	$5.40660	$6.28500	$5.40660	
Cost of Gas - Recovered	5.71740	6.27260	6.27260	
(Over) Under recovery per dk	($0.31080)	$0.01240	($0.86600)	
dk billed	9,508	19,355	(617)	28,246
(Over) Under recovery	($2,955)	$240	$534	($2,181)

1/ Consumed in current month.
2/ Consumed in prior month.
3/ True-up of prior month volumes.
4/ Includes annual volume true-up.

GREAT PLAINS NATURAL GAS CO.
CALCULATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO NORTH DAKOTA
INTERRUPTIBLE

	1/	2/	3/	Total
May 2008				
Cost of Gas - Actual	$9.16630	$7.81650		
Cost of Gas - Recovered	9.62640	9.62640		
(Over) Under recovery per dk	($0.46010)	($1.80990)	$0.00000	
dk billed	5,506	2,609		8,115
(Over) Under recovery	($2,533)	($4,722)	$0	($7,255)
June 2008				
Cost of Gas - Actual	$8.61240	$9.16630		
Cost of Gas - Recovered	9.72760	9.72760		
(Over) Under recovery per dk	($1.11520)	($0.56130)	$0.00000	
dk billed	6,340	794		7,134
(Over) Under recovery	($7,070)	($446)	$0	($7,516)
July 2008				
Cost of Gas - Actual	$8.14720	$8.61240		
Cost of Gas - Recovered	12.00400	12.00400		
(Over) Under recovery per dk	($3.85680)	($3.39160)	$0.00000	
dk billed	11,402	71		11,473
(Over) Under recovery	($43,975)	($241)	$0	($44,216)
August 2008				
Cost of Gas - Actual	$9.08600	$8.14720		
Cost of Gas - Recovered	9.22170	9.22170		
(Over) Under recovery per dk	($0.13570)	($1.07450)	$0.00000	
dk billed	6,172	1,990		8,162
(Over) Under recovery	($837)	($2,138)	$0	($2,975)
September 2008				
Cost of Gas - Actual	$7.16340	$9.08600		
Cost of Gas - Recovered	7.44100	7.44100		
(Over) Under recovery per dk	($0.27760)	$1.64500	$0.00000	
dk billed	5,303	3,438 4/		8,741
(Over) Under recovery	($1,472)	($9,134)	$0	($10,606)
October 2008				
Cost of Gas - Actual	$5.89640	$7.16340		
Cost of Gas - Recovered	6.69240	6.69240		
(Over) Under recovery per dk	($0.79600)	$0.47100	$0.00000	
dk billed	9,657	2,360		12,017
(Over) Under recovery	($7,687)	$1,112	$0	($6,575)

GREAT PLAINS NATURAL GAS CO.
CALCULATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO NORTH DAKOTA
INTERRUPTIBLE

	1/	2/	3/	Total
November 2008				
Cost of Gas - Actual	$5.98850	$5.89640		
Cost of Gas - Recovered	5.72610	5.72610		
(Over) Under recovery per dk	$0.26240	$0.17030	$0.00000	
dk billed	15,699	3,506		19,205
(Over) Under recovery	$4,119	$597	$0	$4,716
December 2008				
Cost of Gas - Actual	$6.15880	$5.98850		
Cost of Gas - Recovered	6.17480	6.17480		
(Over) Under recovery per dk	($0.01600)	($0.18630)	$0.00000	
dk billed	4,990	7,992		12,982
(Over) Under recovery	($80)	($1,489)	$0	($1,569)
January 2009				
Cost of Gas - Actual	$5.64030	$6.15880	$5.64030	
Cost of Gas - Recovered	5.67510	6.17480	6.17480	
(Over) Under recovery per dk	($0.03480)	($0.01600)	($0.53450)	
dk billed	5,027	7,019	(1,171)	10,875
(Over) Under recovery	($175)	($112)	$626	$339
February 2009				
Cost of Gas - Actual	$4.74130	$5.64030	$4.74130	
Cost of Gas - Recovered	4.45120	5.67510	5.67510	
(Over) Under recovery per dk	$0.29010	($0.03480)	($0.93380)	
dk billed	2,441	7,890	(128)	10,203
(Over) Under recovery	$708	($275)	$120	$553
March 2009				
Cost of Gas - Actual	$3.85140	$4.74130	$3.85140	
Cost of Gas - Recovered	3.99230	4.45120	4.45120	
(Over) Under recovery per dk	($0.14090)	$0.29010	($0.59980)	
dk billed	3,981	9,645	(1,066)	12,560
(Over) Under recovery	($561)	$2,798	$639	$2,876
April 2009				
Cost of Gas - Actual	$3.35310	$3.85140	$3.35310	
Cost of Gas - Recovered	3.43660	3.99230	3.99230	
(Over) Under recovery per dk	($0.08350)	($0.14090)	($0.63920)	
dk billed	7,166	7,204	(306)	14,064
(Over) Under recovery	($598)	($1,015)	$195	($1,418)

1/ Consumed in current month.
2/ Consumed in prior month.
3/ True-up of prior month volumes.
4/ Includes annual volume true-up.